

**MINUTES OF THE
SPECIAL GOVERNANCE & PRIORITIES COMMITTEE MEETING
HELD MONDAY, OCTOBER 26, 2015, 8:00 A.M.**

1. THE CHAIR CALLED THE MEETING TO ORDER AT 8:01 A.M.

Committee Members Present: Mayor Helps in the Chair; Councillors Alto, Coleman, Isitt, Loveday, Lucas, Madoff, Thornton-Joe and Young.

Staff Present: J. Johnson – City Manager; P. Bruce – Fire Chief; K. Hamilton – Director of Citizen Engagement & Strategic Planning; J. Jenkyns – Deputy City Manager; T. Soulliere – Director of Parks & Recreation; J. Tinney – Director of Sustainable Planning & Community Development; B. Dellebuur – Acting Assistant Director of Transportation & Parking Services; J. MacDougall – Assistant Director of Parks; J. O'Connor – Manager of Financial Planning; J. Schmidt – Manager of Legislative Services; C. Mycroft – Assistant to City Manager; C. Havelka – Recording Secretary.

2. APPROVAL OF THE AGENDA

2.1 Approval of the Agenda

Action: It was moved by Councillor Alto, seconded by Councillor Loveday, that the Agenda of the October 26, 2015, Special Governance & Priorities Committee meeting be approved.

CARRIED UNANIMOUSLY 15/GPC827

3. Workshop – Analysis of Housing Affordability Task Force

Committee continued discussions from the October 23, 2015, Special Governance & Priorities Committee Workshop on the recommendations from the Mayor's Housing Affordability Task Force discussions. Staff also continued with the PowerPoint Presentation.

Councillor Young joined the meeting at 8:05 a.m.

Committee discussed amending the *Zoning Regulation Bylaw* to permit garden suites in single-family zones and amending the Garden Suite Policy as necessary, as follows:

- Concerns about the potential effects on neighbouring properties.
- Lack of assurance that the process would be used for affordable housing.

Action: It was moved by Councillor Loveday, seconded by Councillor Alto, that Committee recommends that Council direct staff to report back on options to streamline the application process for Garden Suites.

Committee discussed:

- Concerns about eliminating the rezoning process.

Councillor Isitt joined the meeting at 8:14 a.m.

Committee discussed:

- Receiving a detailed report on how the process would be streamlined.

CARRIED 15/GPC828

For: Mayor Helps, Councillors Alto, Coleman, Isitt, Loveday, Lucas, Thornton-Joe and Young
Against: Councillor Madoff

Committee discussed amending the *Zoning Regulation Bylaw* to permit garden suites on properties with secondary suites and amending the garden suite policy as necessary, as follows:

- Potential parking impacts.
- Maintaining the existing rezoning process.

Action: It was moved by Councillor Alto, seconded by Councillor Loveday, that Committee recommends that Council direct staff to prepare amendments to the *Zoning Regulation Bylaw* to permit garden suites on properties with secondary suites and amend the garden suite policy as necessary, including consideration of parking regulations, the requirement of having an owner living on site, to apply across the city, and to undertake the public consultation normally undertaken as part of a bylaw change.

Amendment: It was moved by Councillor Isitt, seconded by Councillor Lucas, that the motion be amended as follows:

That Council direct staff to prepare amendments to the *Zoning Regulation Bylaw* to permit garden suites on properties with secondary suites and amend the garden suite policy as necessary, including consideration of parking regulations, ~~the requirement of owner living on site~~, to apply across the city, and to undertake the public consultation normally undertaken as part of a bylaw change.

Committee discussed:

- The expectation of bylaw compliance.

On the amendment:
CARRIED 15/GPC829

For: Mayor Helps, Councillors Alto, Isitt, Loveday and Lucas
Against: Councillors Coleman, Madoff, Thornton-Joe and Young

On the main motion as amended:
CARRIED UNANIMOUSLY 15/GPC830

Committee discussed amending the secondary suite regulations by eliminating the minimum size requirement and the restriction on dwellings that have been renovated in the past five years, as follows:

- Receiving a staff report on the size requirements.
- Concerns about potential parking impacts.

Action: It was moved by Councillor Alto, seconded by Mayor Helps, that Committee recommends that Council direct staff, as a part of the Municipal Housing Strategy, to examine ways to increase the number of secondary suites while maintaining livability, safety and affordability.

CARRIED UNANIMOUSLY 15/GPC831

Committee discussed minimizing and pro-rating fees for affordable housing projects, as follows:

- Establishing clear criteria for the reduced fees.

Action: It was moved by Councillor Alto, seconded by Councillor Thornton-Joe, that Committee recommends that Council direct staff to examine and report back on options for minimizing and/or pro-rating fees for non-profit and for-profit affordable housing projects, where at least 30 percent of units in the proposed project incorporate affordability mechanisms for the first and second income quartile.

Committee discussed:

- The average income of residents and the need for affordable housing.

CARRIED 15/GPC832

For: Mayor Helps, Councillors Alto, Coleman, Isitt, Loveday, Lucas, Madoff and Thornton-Joe

Against: Councillor Young

Committee discussed waiving development cost charges (DCCs) for affordable housing projects where applicants are willing to enter into a housing agreement, as follows:

- The housing reserve fund as a potential funding source.

Councillor Coleman left the meeting at 9:19 a.m. and returned at 9:22 a.m.

Action: It was moved by Councillor Isitt, seconded by Councillor Alto, that Committee recommends that Council direct staff to report back on the financial implications and advisability of waiving development cost charges (DCCs) for affordable housing projects where applicants are willing to enter into a housing agreement.

Amendment: It was moved by Mayor Helps, seconded by Councillor Alto, that the motion be amended as follows:

That Council direct staff to report back on the financial implications and advisability of waiving development cost charges (DCCs) **and suggestions for how the DCC fund could be kept whole** for affordable housing projects where applicants are willing to enter into a housing agreement.

Committee discussed:

- Identifying clear cost recovery objectives.
- Receiving a staff report with suggestions on how to fund the DCCs.
- Reviewing the DCCs on a regular basis.

On the amendment:
CARRIED 15/GPC833

For: Mayor Helps, Councillors Alto, Coleman, Isitt, Loveday, Lucas, Madoff and Thornton-Joe

Against: Councillor Young

On the main motion as amended:
CARRIED 15/GPC834

For: Mayor Helps, Councillors Alto, Coleman, Isitt, Loveday, Lucas, Madoff and Thornton-Joe

Against: Councillor Young

Committee recessed at 9:30 a.m. and reconvened at 9:36 a.m.

Committee discussed providing permissive tax exemptions to charitable, philanthropic and/or non-profit corporations that currently own or that build affordable housing in the City, as follows:

- The fiscal impacts.

Action: It was moved by Mayor Helps, seconded by Councillor Isitt, that Committee recommends that Council direct staff to report back on the financial implications of providing permissive tax exemptions to charitable, philanthropic and/or non-profit corporations that currently own affordable housing in the city, and include specific data on taxes paid by properties where the majority of units house people in the first income quartile.

Councillor Isitt suggested an amendment to include the second income quartile; however, the amendment was not seconded.

Committee discussed:

- The large costs and time involved.
- Funding from BC Housing for affordable housing developments.

Amendment: It was moved by Mayor Helps, seconded by Councillor Alto, that the motion be amended as follows:

That Council direct staff to report back on the financial implications of providing permissive tax exemptions to charitable, philanthropic and/or non-profit corporations that ~~currently own~~ affordable housing in the city, ~~and include specific data on taxes paid by properties~~ **develop new** where the majority of units house people in the first income quartile.

Committee discussed:

- Concerns about shifting the tax impacts onto other property owners and taxpayers.
- Considering significant renovations for the tax exemption.
- Timeframes for the tax exemptions.

Amendment to the amendment:

It was moved by Mayor Helps, seconded by Councillor Alto, that the amended motion be amended as follows:

That Council direct staff to report back on the financial implications of providing permissive tax exemptions, **on an ongoing basis or for a period of 10 years**, to charitable, philanthropic and/or non-profit corporations that develop new affordable housing in the city, where the majority of units house people in the first income quartile.

Committee discussed:

- The results of previous tax exemptions.

On amendment to amendment:
CARRIED UNANIMOUSLY 15/GPC835

On the amendment:
CARRIED UNANIMOUSLY 15/GPC836

On the main motion as amended:
CARRIED 15/GPC837

For: Mayor Helps, Councillors Alto, Coleman, Isitt, Loveday, Lucas, Madoff and Thornton-Joe
Against: Councillor Young

Committee discussed contributing land at no cost or at reduced market value for the development of affordable housing projects.

Action: It was moved by Councillor Isitt, seconded by Councillor Alto, that Committee recommends that Council refer the idea of contributing land at no cost or at reduced market value for the development of affordable housing projects to the City's Strategic Real Estate Function to report back as part of the triple bottom line approach that that function will employ.

Committee discussed:

- The purpose of the City's Real Estate Function.

Amendment: It was moved by Councillor Thornton-Joe, seconded by Mayor Helps, that the motion be amended as follows:

That Committee recommends that Council refer the idea of contributing land at no cost or at reduced market value for the development of affordable housing projects to the City's Strategic Real Estate Function **to consider and** to report back as part of the triple bottom line approach that that function will employ.

On the amendment:
CARRIED UNANIMOUSLY 15/GPC838

Committee discussed:

- Funding model criteria.

On the main motion as amended:
CARRIED 15/GPC839

For: Mayor Helps, Councillors Alto, Coleman, Isitt, Loveday, Lucas, Madoff and Thornton-Joe

Against: Councillor Young

Committee discussed creating incentives that support converting underutilized or unused spaces above commercial properties into residential use, as follows:

- The City's role.
- Potential of extending the seismic upgrading program.

Action: It was moved by Councillor Isitt, seconded by Councillor Loveday, that Committee recommends that Council direct staff to report back on the advisability and options for incentive programs to support the conversion of underutilized or unused spaces above commercial properties into affordable residential use, including potentially a "Revitalization Tax Exemption", where an area or areas are designated as "economic revitalization zones;" this Community Charter provision provides for social revitalization including affordable housing provided by the private sector.

Committee discussed:

- Looking into the amount of vacant space in the City.

Amendment: It was moved by Councillor Alto, seconded by Councillor Isitt, that the motion be amended as follows:

That Council direct staff to report back on the advisability and options for incentive programs to support the conversion of ~~underutilized or unused~~ **vacant** spaces above commercial properties into affordable residential use, including potentially a "Revitalization Tax Exemption", where an area or areas are designated as "economic revitalization zones;" this Community Charter provision provides for social revitalization including affordable housing provided by the private sector.

On the amendment:
CARRIED UNANIMOUSLY 15/GPC840

Committee discussed:

- Concerns about residential uses above office spaces downtown.
- Preference to create heritage designation incentives.
- The municipal housing strategy.

Amendment to the amendment:

It was moved by Councillor Alto, seconded by Councillor Loveday, that the amended motion be amended as follows:

That Council refer to the review of the 2016 Municipal Housing Strategy the following motion:

That Council direct staff to report back on the advisability and options for incentive programs to support the conversion of vacant spaces above commercial properties into affordable residential use, including potentially a “Revitalization Tax Exemption”, where an area or areas are designated as “economic revitalization zones;” this Community Charter provision provides for social revitalization including affordable housing provided by the private sector.

On the amendment to the amendment:
CARRIED 15/GPC841

For: Mayor Helps, Councillor Alto, Coleman, Isitt, Loveday, Lucas, Madoff, Thornton-Joe and Young
Against: Councillor Isitt

On the main motion as amended:
CARRIED 15/GPC842

For: Mayor Helps, Councillor Alto, Coleman, Isitt, Loveday, Lucas, Madoff, Thornton-Joe and Young
Against: Councillor Isitt

Committee discussed investigating and implementing appropriate incentives that can assist landlords in maintaining and/or improving affordable market and non-market housing.

Action: It was moved by Councillor Isitt, seconded by Councillor Loveday, that Committee recommends that Council direct staff to convene a workshop with partner stakeholders (CRD Housing, BC Housing, CMHC, Co-operative Housing Federation of British Columbia, BC Non-Profit Housing Association, LandLord BC, Urban Development Institute) to examine ways and means of retaining and refurbishing the existing affordable rental housing supply within the City, and report back on possible actions the City can take within municipal jurisdiction to support retention and renewal of this housing supply.

Committee discussed:

- Operational challenges.
- The maintenance of affordable housing buildings.

- A renewed mandate for the housing policy.
- Ensuring there is opportunity for public consultation.

CARRIED UNANIMOUSLY 15/GPC843

Councillor Lucas left the meeting 10:53 a.m.

Committee discussed implementing inclusionary zoning as a way to support the development of more affordable housing, as follows:

- The range of amenities.

Postpone: It was moved by Mayor Helps, seconded by Councillor Alto, that Committee recommends that consideration of the following motion be postponed to the October 29, 2015 Planning & Land Use Committee Meeting:
That Council direct City staff to report to Council with recommendations on implementing inclusionary zoning as a way to support the development of more affordable housing, examining models in other jurisdictions, and providing options for the implementation of inclusionary zoning both downtown and throughout the city in the context of work currently being undertaken on community amenity contributions.

CARRIED UNANIMOUSLY 15/GPC844

Mayor Helps brought forward the tabled motion from the Special Governance and Priorities Workshop of October 23, 2015:

Postpone: It was moved by Councillor Alto, seconded by Councillor Loveday, that Committee recommends that consideration of the following motion be postponed to the October 29, 2015 Planning & Land Use Committee Meeting:
That Council direct staff to examine opportunities to use the Housing Reserve for Secondary Suites and Garden Suites

4. ADJOURNMENT

Action: It was moved by Councillor Alto, seconded by Councillor Coleman, that the Special Governance & Priorities Committee meeting of October 26, 2015, be adjourned at 10:56 a.m.

CARRIED UNANIMOUSLY 15/GPC845

Mayor Helps, Chair